

the minister omitted to mention one reason why this work should be proceeded with. The dredging which has been done in the harbour on the west side has been at Beacon bar, to which my hon. friend referred. A further harbour improvement has been the deepening of the channel leading out from the harbour to the sea. The depth of the channel has been increased to about 23 feet, so that larger steamers may enter and depart without waiting for the rising of the tide. But the channel runs past this open space between the end of the present Breakwater and Partridge island.

The depth of the channel, of course, is very much greater than the depth of the space between the end of the breakwater and the island. The result is that, when storms come from the southwest, a great deal of silt is carried in and deposited in this deep channel, which is being dredged. That must necessarily injure the channel and will add very greatly to the cost of construction of the breakwater in again deepening the channel. There will, therefore, be a very great saving in connection with the keeping of the channel at the proper depth by the construction of this breakwater. That is quite an important point which should also be considered. I am sure the minister will agree with me as to that.

Mr. MACDONALD: I very greatly regret that I am compelled to disagree with the hon. member for St. John (Mr. Pugsley), and also with the Minister of Marine and Fisheries. They make out a good case for certain improvements in the port of St. John, but the same kind of a case could be made out for an improvement in almost any other part in eastern Canada. I should consider myself derelict in my duty if, at this period of the session, in view of the tremendous financial obligations of this country, I should silently assent to the proposition that money which has been obtained from the people of this country through taxation for war purposes of that kind. Already during this session, on the estimates that have been brought down, we have voted appropriations for different purposes with absolutely no regard for the terrible financial position in which this country is placed. We hear much talk about "winning the war" and about this, that and the other thing being done for the purpose of winning the war. We have taxation to win the war. We have a Franchise Act to win the war. Any man of intelligence, of course, knows that all that is mere talk.

[Mr. Pugsley]

Before the war the total interest obligations of this country did not amount to more than \$15,000,000. To-day the financial obligations of this country involve an annual expenditure of from \$110,000,000 to \$120,000,000 in interest upon mortgages which have been placed upon this country. In addition to that, we have an annual charge of \$30,000,000 for pensions to our soldiers. That means that the preliminary obligations of this country, before we can spend a dollar for anything else, will amount hereafter to from \$140,000,000 to \$150,000,000.

Mr. R. B. BENNETT: Surely my hon. friend is in error in stating that the total annual interest charge is \$110,000,000.

Mr. MACDONALD: That amount is correct.

Mr. R. B. BENNETT: That is the interest at 5 per cent on over \$2,000,000,000.

Mr. MACDONALD: Yes.

Mr. R. B. BENNETT: The debt of this country has not yet reached \$1,000,000,000.

Mr. MACDONALD: I am sorry for my hon. friend. He has not been following the facts.

Mr. R. B. BENNETT: I have.

Mr. MACDONALD: If my hon. friend will take the Canada Gazette, which contains the statement of the debt of this country at the end of July, he will find that the amount of the debt at that time was \$1,542,000,000.

Mr. R. B. BENNETT: I refer to interest-bearing debt.

Mr. MACDONALD: That is interest-bearing debt.

Mr. R. B. BENNETT: No, that is the gross debt.

Mr. MACDONALD: That is the interest-bearing debt. My hon. friend will find on the other side certain assets. The debt of this country, which is concentrated in bonds and debentures, is interest-bearing, and that is the statement.

My hon. friend will also remember that we added \$650,000,000 of debt to the obligations of this country in assuming the obligation to pay the interest upon that amount of money, including the bonded indebtedness and the existing interest-bearing indebtedness of the Canadian Northern. I put the figures on Hansard about two weeks ago in the presence of the Minister of Finance, and he did not question them.